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8 UNITED STATES DISTRICT COURT  
9 CENTRAL DISTRICT OF CALIFORNIA  
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11 JANETTE OCEGUEDA, *et al.*,  
12 Plaintiffs,  
13 v.  
14 AMERICAN HONDA MOTOR CO.,  
15 *et al.*,  
16 Defendants.  
17

Case No. 2:23-CV-10870-FLA (skx)

**ORDER TO SHOW CAUSE WHY  
ACTION SHOULD NOT BE  
REMANDED FOR LACK OF  
SUBJECT MATTER JURISDICTION**

1 Federal courts are courts of “limited jurisdiction,” possessing only “power  
2 authorized by the Constitution and statute[.]” *Kokkonen v. Guardian Life Ins. Co. of*  
3 *Am.*, 511 U.S. 375, 377 (1994); U.S. Const. art. III, § 2, cl. 1. Courts are presumed to  
4 lack jurisdiction unless the contrary appears affirmatively from the record. *See*  
5 *DaimlerChrysler Corp. v. Cuno*, 547 U.S. 332, 342 n. 3 (2006). Additionally, federal  
6 courts have an obligation to examine jurisdiction sua sponte before proceeding to the  
7 merits of a case. *See Ruhrgas AG v. Marathon Oil Co.*, 526 U.S. 574, 583 (1999).

8 A suit filed in a state court may be removed to federal court if the federal court  
9 would have had original jurisdiction over the suit. 28 U.S.C. § 1441(a). Federal  
10 courts have original jurisdiction where an action presents a federal question under 28  
11 U.S.C. § 1331, or where diversity of citizenship exists under 28 U.S.C. § 1332.  
12 Accordingly, a defendant may remove an action from state court to federal court  
13 pursuant to the federal removal statute, 28 U.S.C. § 1441, on the basis of a federal  
14 question or diversity jurisdiction. Of relevance here, claims filed under the  
15 Magnuson-Moss Warranty Act do not trigger federal question jurisdiction unless the  
16 amount in controversy is equal to or greater than “the sum or value of \$50,000  
17 (exclusive of interests and costs) computed on the basis of all claims to be determined  
18 in [the] suit.” 15 U.S.C. § 2310(d)(3)(B); *Khachatryan v. BMW of N. Am., LLC*, Case  
19 No. 2:21-cv-01290-PA (PDx), 2021 WL 927266, at \*2 (C.D. Cal. Mar. 10, 2021).

20 Courts strictly construe the removal statute against removal jurisdiction, and  
21 “[f]ederal jurisdiction must be rejected if there is any doubt as to the right of removal  
22 in the first instance.” *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992). The  
23 party seeking removal bears the burden of establishing federal jurisdiction. *Id.* Thus,  
24 a notice removing an action from state court to federal court must include “a plausible  
25 allegation that the amount in controversy exceeds the jurisdictional threshold.” *Dart*  
26 *Cherokee Basin Operating Co., LLC v. Owens*, 574 U.S. 81, 89 (2014). Where “the  
27 plaintiff contests, or the court questions, the defendant’s allegation” concerning the  
28 amount in controversy, “both sides [shall] submit proof,” and the court may then

1 decide whether the defendant has proven the amount in controversy “by a  
2 preponderance of the evidence.” *Id.* at 88–89.


3 The court has reviewed the Notice of Removal and is presently unable to  
4 conclude it has subject matter jurisdiction. In particular, and without limitation, the  
5 court finds that the allegations in Defendant’s Notice of Removal do not demonstrate  
6 by a preponderance of the evidence that the amount in controversy exceeds \$50,000.

7 The parties are ORDERED TO SHOW CAUSE, in writing only, within  
8 fourteen (14) days from the date of this Order, why this action should not be remanded  
9 for lack of subject matter jurisdiction because the amount in controversy does not  
10 exceed the jurisdictional threshold. The parties are encouraged to submit evidence  
11 and/or judicially noticeable facts in response to the court’s Order. Responses shall be  
12 limited to ten (10) pages in length. The parties should consider this Order to be a two-  
13 pronged inquiry into the facial and factual sufficiency of Defendant’s demonstration  
14 of jurisdiction. *See Leite v. Crane Co.*, 749 F.3d 1117, 1122 (9th Cir. 2014).

15 As Defendant is the party asserting federal jurisdiction, Defendant’s failure to  
16 respond timely and adequately to this Order shall result in remand of the action  
17 without further notice.

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19 IT IS SO ORDERED.

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21 Dated: April 2, 2024

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24 FERNANDO L. AENLLE-ROCHA  
25 United States District Judge  
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